

SENATE BILL 922

Q1
SB 782/09 – B&T

0lr2987

By: ~~Senator Haines~~ **Senators Haines, Brinkley, and Kittleman**

Introduced and read first time: February 17, 2010

Assigned to: Rules

Re-referred to: Budget and Taxation, February 26, 2010

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 29, 2010

CHAPTER _____

1 AN ACT concerning

2 ~~Homestead~~ **Carroll County – Property Tax Credit for Housing Units at**
3 **Independent Living Retirement Communities**

4 FOR the purpose of ~~making~~ authorizing the governing body of Carroll County or of a
5 municipal corporation in Carroll County to grant, by law, a tax credit against
6 the county or municipal corporation property tax imposed on certain housing
7 units at independent living retirement communities ~~eligible for a certain~~
8 ~~property tax credit under certain circumstances;~~ authorizing the governing body
9 of Carroll County or of a municipal corporation in Carroll County to provide, by
10 law, for certain provisions necessary to carry out the tax credit; providing for
11 the application of this Act; ~~defining certain terms;~~ and generally relating to ~~the~~
12 ~~application of a certain~~ a property tax credit to in Carroll County for certain
13 housing units in certain independent living retirement communities.

14 ~~BY repealing and reenacting, without amendments,~~
15 ~~Article – Tax – Property~~
16 ~~Section 9 – 105(a)(1) through (3) and (b)~~
17 ~~Annotated Code of Maryland~~
18 ~~(2007 Replacement Volume and 2009 Supplement)~~

19 ~~BY repealing and reenacting, with amendments,~~
20 ~~Article – Tax – Property~~
21 ~~Section 9 – 105(a)(4) and (d)(1)~~
22 ~~Annotated Code of Maryland~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~(2007 Replacement Volume and 2009 Supplement)~~

BY adding to

Article – Tax – Property

Section ~~9-105(a)(9)~~ 9-308(f)

Annotated Code of Maryland

(2007 Replacement Volume and 2009 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Tax – Property

~~9-105.~~

(a) (1) ~~In this section the following words have the meanings indicated:~~

(2) (i) ~~“Dwelling” means:~~

~~1. a house that is:~~

~~A. used as the principal residence of the homeowner; and~~

~~B. actually occupied or expected to be actually occupied by the homeowner for more than 6 months of a 12-month period beginning with the date of finality for the taxable year for which the property tax credit under this section is sought; and~~

~~2. the lot or curtilage on which the house is erected.~~

(ii) ~~“Dwelling” includes:~~

~~1. a condominium unit that is occupied by an individual who has a legal interest in the condominium;~~

~~2. an apartment in a cooperative apartment corporation that is occupied by an individual who has a legal interest in the apartment; and~~

~~3. a part of real property used other than primarily for residential purposes, if the real property is used as a principal residence by an individual who has a legal interest in the real property.~~

(3) ~~“Homeowner” means an individual who has a legal interest in a dwelling or who is an active member of an agricultural ownership entity that has a legal interest in a dwelling.~~

(4) ~~“Legal interest” means an interest in a dwelling.~~

- 1 (i) ~~as a sole owner;~~
- 2 (ii) ~~as a joint tenant;~~
- 3 (iii) ~~as a tenant in common;~~
- 4 (iv) ~~as a tenant by the entirety;~~
- 5 (v) ~~through membership in a cooperative;~~
- 6 (vi) ~~under a land installment contract, as defined in § 10-101 of~~
7 ~~the Real Property Article; [or]~~
- 8 (vii) ~~as a holder of a life estate; OR~~

9 ~~(VIII) AS AN OCCUPANT OF A HOUSING UNIT AT AN~~
10 ~~INDEPENDENT LIVING RETIREMENT COMMUNITY UNDER A LIFE OCCUPANCY~~
11 ~~AGREEMENT WITH THE OWNER OF THE COMMUNITY.~~

12 ~~(9) "LIFE OCCUPANCY AGREEMENT" MEANS AN AGREEMENT~~
13 ~~BETWEEN THE OWNER OF AN INDEPENDENT LIVING RETIREMENT COMMUNITY~~
14 ~~AND AN OCCUPANT WHO IS AT LEAST AGE 55 UNDER WHICH THE OCCUPANT~~
15 ~~PAYS A SUM OF MONEY IN EXCHANGE FOR THE RIGHT TO OCCUPY A HOUSING~~
16 ~~UNIT FOR THE REMAINDER OF THE OCCUPANT'S LIFE.~~

17 ~~(b) If there is an increase in property assessment as calculated under this~~
18 ~~section, the State and the governing body of each county and of each municipal~~
19 ~~corporation shall grant a property tax credit under this section against the State,~~
20 ~~county, and municipal corporation property tax imposed on real property by the State,~~
21 ~~county, or municipal corporation.~~

22 ~~(d) (1) Subject to the provisions of paragraph (6) of this subsection, the~~
23 ~~Department shall authorize and the State, a county, or a municipal corporation shall~~
24 ~~grant a property tax credit under this section for a taxable year unless during the~~
25 ~~previous taxable year:~~

26 ~~(i) the dwelling was transferred for consideration to new~~
27 ~~ownership;~~

28 ~~(ii) the value of the dwelling was increased due to a change in~~
29 ~~the zoning classification of the dwelling initiated or requested by the homeowner or~~
30 ~~anyone having an interest in the property;~~

31 ~~(iii) the use of the dwelling was changed substantially; [or]~~

1 ~~(iv) the assessment of the dwelling was clearly erroneous due to~~
 2 ~~an error in calculation or measurement of improvements on the real property; OR~~

3 ~~(v) THE OCCUPANT OF A HOUSING UNIT AT AN~~
 4 ~~INDEPENDENT LIVING RETIREMENT COMMUNITY UNDER A LIFE OCCUPANCY~~
 5 ~~AGREEMENT THAT RECEIVED THE CREDIT UNDER THIS SECTION FOR THE~~
 6 ~~PREVIOUS TAXABLE YEAR CEASED TO OCCUPY THE HOUSING UNIT AS A~~
 7 ~~PRINCIPAL RESIDENCE.~~

8 9-308.

9 (F) (1) THE GOVERNING BODY OF CARROLL COUNTY OR OF A
 10 MUNICIPAL CORPORATION IN CARROLL COUNTY MAY GRANT, BY LAW, A TAX
 11 CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION PROPERTY TAX
 12 IMPOSED ON THAT PORTION OF THE REAL PROPERTY OWNED BY AN
 13 INDEPENDENT LIVING RETIREMENT COMMUNITY THAT IS USED AS HOUSING
 14 UNITS.

15 (2) THE GOVERNING BODY OF CARROLL COUNTY OR OF A
 16 MUNICIPAL CORPORATION IN CARROLL COUNTY MAY PROVIDE, BY LAW, FOR:

17 (I) THE AMOUNT AND DURATION OF THE TAX CREDIT
 18 UNDER THIS SUBSECTION;

19 (II) ADDITIONAL ELIGIBILITY CRITERIA FOR THE TAX
 20 CREDIT UNDER THIS SUBSECTION;

21 (III) REGULATIONS AND PROCEDURES FOR THE
 22 APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT;
 23 AND

24 (IV) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE
 25 TAX CREDIT UNDER THIS SUBSECTION.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 27 June 1, 2010, and shall be applicable to all taxable years beginning after June 30,
 28 2010.